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SUBJECT: MEDIA REACTION: NORTH KOREA, SCO, RMB APPRECIATION

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Editorial Quotes  
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11. NORTH KOREA

"U.S. Assistant Secretary of State Campbell visits China to find a path for Obama to resume Six-Party Talks"

The Shanghai-based Shanghai Media Group (SMG) publication, China Business News (Diyi Caijing) (02/03) (pg A16): "On whether the U.S. is in favor of an "East Asian Community" excluding the United States, U.S. Assistant Secretary of State Campbell said that in this regard, the United States has a set of principles; first of all, the United States should be involved in any critical dialogues relating to security, economic and business issues. For the Six-Party Talks, Campbell said that China believes North Korea will agree to return to the Six-Party Talks process, but is still not sure how firm North Korea's commitment is. The U.S. needs to further test North Korea's stance. Campbell insisted the U.S. will not agree to have direct talks with North Korea if the promises of prior Six-Party Talks agreements cannot be met. He also mentioned the possibility of U.S.-North Korea bilateral talks which the U.S. could initiate and which could possibly accelerate the resumption of the Six-Party Talks. China and the U.S. have reached a consensus that the Six-Party Talks framework is critical, and within this framework any form of bilateral, trilateral or any other forms of talks are possible."

12. SCO

"Create a useful Shanghai Cooperation Organization"

Guangdong 21st Century Publishing Company Ltd.'s business newspaper 21st Century Business Herald (21Shiji Jingji Baodao) (10/15) (pg 2): "In the past, China stood firmly on the principle of a consistent stance through negotiations with other members of the organization, sometimes sacrificing its own interests to go along with the majority. However, continuing in this way, China's opinion can hardly been properly reflected by the organization and a common view about its future development can hardly be reached between the member countries. The fact that China has adjusted its foreign policy to meet the challenges of the financial crisis can be seen in the recent SCO sessions. Experts believe China is like the chief violin for the organization now and sets the basic tone for its future development. The Shanghai Cooperation Organization, as the only international organization in which China plays a dominant role, serves also as an important reference for China to further integrate itself in and participate in the construction of the international system. It is the best testing ground for China to implement its multilateral diplomacy."

13. RMB APPRECIATION

"The global economic recovery should first allow the U.S. dollar to stabilize"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(pg 15): "A stable RMB is the primary issue for China right now although U.S. and European trade protectionism sentiment has been rising. Whenever a western economy deteriorates, the RMB exchange rate will always become a target of protectionists. The attempt to weaken the competitiveness of Chinese products through altering the exchange rate, increasing exports to China and decreasing imports from China is simply disguised trade protectionism. Currently, what the U.S. needs to do is stabilize the U.S. dollar and take responsibility for the global economic recovery. In fact, China has been actively promoting the reform of the marketing of RMB exchange rates. Currently if China does not stabilize the RMB, the West's plot to let China pay the cost of the financial crisis will become a reality. While the global economy is still in recession, the U.S. should strengthen economic cooperation and make great efforts to stabilize the U.S. dollar, the main reserve currency, and avoid putting further pressure on the RMB exchange rate."

HUNTSMAN